

# American Famine and the Failure of the New Deal

## Roosevelt Revived the USA through War Expenditure

[Kerry R. Bolton](#)

Two of the great myths of recent history are that:

1. Germany achieved economic recovery through rearmament;
2. Roosevelt overcame the Depression through his New Deal social reforms.

These assumptions are in inverse proportion to actuality. Germany achieved economic recovery in a similar way the Labour Government in New Zealand did at about the same time: state credit for public works without recourse to debt. This system in Germany has been explained in some detail in a prior article at *Inconvenient History*.<sup>[1]</sup>

The public works that were funded through several different types of non-usurious credit in Germany were not of the character of military preparation. For example concomitant with the myth of economic recovery through war production, it is generally believed that the autobahns were constructed to promptly allow for the transport of tanks and other heavy military equipment for a long planned war. Dr. Frederick Spotts who, like other mainstream historians shedding new light on such subjects feels obliged to interpolate his scholarship with pointless quips and clichéd opinions lest he be damned as a Nazi apologist, debunks such assumptions about war expenditure in regard to the autobahns. He points out that the features of the autobahns were designed for aesthetic and ecological reasons, not to quickly move tanks and cannon about Germany to a projected war front:

*“The autobahns were therefore intended not so much to facilitate cars going from one place to another as to show off the natural and architectural beauty of the country. Routes were chosen to go through attractive areas without disturbing the harmony of hills, valleys and forests. Lay-bys were created for travellers to stop and admire the panorama. In some cases the roadway itself made a detour, despite additional cost, to offer a particularly impressive view. Great effort went into construction so as to minimize the damage to the environment. Landscape architects vetted the plans, directional signs were discrete and service stations were made as inconspicuous as possible. Bridges and overpasses were built not only to fit in with the landscape but also to be architectural achievements in themselves...”*<sup>[2]</sup>

Dr. Spotts points out that the autobahn routes “did not run to likely front lines.” The surfaces were too thin to support tanks and other heavy vehicles. During the war the roads, having shiny, white surfaces, had to be camouflaged with paint to prevent their use as routes for enemy aircraft.<sup>[3]</sup>

*A promotional video produced by the US government to highlight the projects and programs of the Roosevelt's New Deal during the Great Depression ([https://www.youtube.com/watch?v=wF80co\\_Y\\_Bc](https://www.youtube.com/watch?v=wF80co_Y_Bc))*

The major problems of food imports that plagued both Italy and Germany were addressed by “internal colonization.” While allegedly up to 7,000,000 *kulaks* were being collectivised to death in the USSR, Germany and Italy sought to build up a prosperous and expanding peasantry by improved methods of cultivation, and by vast land reclamation schemes. Under Sovietization, the peasantry was being eliminated as a reactionary class; under Fascism the peasantry was being upheld as the foundation of a healthy folk. The “idiocy of rural life,” as Karl Marx had termed it, despite attempts at rationalisation by

Marxist revisionists, was regarded as the ideal under Fascism, and this rural idealism pertained not only to states such as Italy, Germany, Petain's France, Franquist Spain, Dollfuss' Austria, Salazar's Portugal, Peron's Argentina and Vargas' Brazil; but Mosley's Fascism, Romania's Iron Guard, Norway's Nasjonal Samling, and other such movements that regarded agriculture as of primary significance both in terms of national survival, and the physical and moral health of the people. Therefore where Fascist or at least corporatist states emerged, they enacted charters for those who worked the land. The reforms inaugurated by Petain, Vargas and Peron remain the basis of modern France, Brazil and Argentina respectively.

Under Italy's Integral Land Reclamation, started in 1929, ex-servicemen were settled on reclaimed land with grants, and communities were built with full amenities. Most famous of the projects was the malaria ridden Pontine Marshes. The first model township built there was Littoria, "a reasonably flourishing township of ex-servicemen and their families drawn from all parts of Italy." It stood amidst a network of roads and irrigation canals, "overlooking cultivated fields in a region which less than seven years ago was a pestiferous, malarial swamp, haunted by fever-stricken wraiths of neglected humanity..."<sup>[4]</sup>

After World War II, in an effort to efface Fascism, Littoria was renamed Latina, and is today a thriving city of over 115,000 inhabitants, and remains an important centre for agriculture. The city's motto is "*Latina olim palus;*" "Latina, once a swamp."

Of the "Battle of the Grain," Munro stated that this initiative started in mid-1925. In 1922, the year of the Fascist assumption to government, Italy produced 44 million quintals of grain, but needed to import 33 million, to make up the required 75 million. By 1925 this had escalated to over 65 million. In 1932 Italy had achieved the goal of self-sufficiency with 75,151,000 quintals. Henceforth, Italy embarked on "The Integral Battle for Agriculture."<sup>[5]</sup>

Of Germany Dr. Anna Bramwell in her seminal book *Blood and Soil: Walther Darré & Hitler's Green Party*, writes that Germany

*"...proceeded to introduce laws establishing hereditary farm tenure for small and medium sized farms. The wholesale food industry was virtually abolished, and a marketing system established which set prices and controlled quality. ... A back-to-the-land programme was introduced, which established viable peasant settlements, and poured money into the rural infrastructure where the settlements were located. A drive to increase peasant productivity was introduced, which was remarkably successful in coaxing more productivity per hectare from the land, and in increasing intensive agriculture..."<sup>[6]</sup>*

Marketing in Italy and Germany was efficiently undertaken through corporatist organs involving all sectors of agricultural production and distribution. Of Germany Dr. Arthur Laurie wrote in 1939:

*"On the 13th September, 1933, the German Government enacted as the basic law for agriculture, the National Food Corporation Act which decided the provisional constitution of this organisation. Thus the Corporation was lifted from the level of a voluntary organisation to the position of a public body. The National Food Corporation became a compulsory institution for the persons affected, and is subject to official supervision. Therefore the National Food Corporation includes not only the productive group - that is agriculture itself - but also all those groups which are in any way concerned with providing the German nation with food. They comprise the groups engaged in the manufacture of various commodities*

*out of these products as well as those concerned with the distribution to the consumer. By reason of this co-operation, the National Food Corporation forms a body consisting of producers, manufacturers and distributors all of whom are of equal importance within this organisation.”*[\[7\]](#)

In the Fascist and corporatist states farmers were secured from foreclosure. Regarding the German legislation,

*“...in order to put agricultural estates on a sound economic basis it was necessary to regulate indebtedness. The Act of June 1, 1933, makes it possible to reduce debts to a level in accordance with safety and to ensure their repayment from the yield without endangering the farmer’s livelihood. There are two ways of doing this. On the one hand there is a procedure for reducing debts by which the creditor voluntarily grants a remission, making it possible to draw up a plan for paying off what is owed. On the other hand if a reduction of debts is necessary and the creditors are not willing to grant remissions, there is a procedure for compulsory adjustment. The debt regulation aims at freeing the owners of farms, woods and market gardens, who need relief from their debts to such an extent that, after paying for the upkeep of their families, they may pay off their debts according to the adjustment plan from the yield of their land. The plan for the abolition of debt is supplemented by protection from distraint for agriculture, so as to prevent property being confiscated and things being auctioned which are necessary for the running of the farm.”*[\[8\]](#)

In the pluto-democracies at the same time matters were much different. The problem that the USA and Britain sought to resolve was what to do with farmers and farm workers driven off the land through lack of markets while masses went hungry. It was the unresolvable paradox – for the plutocracies – of “poverty amidst plenty.” John Hargrave, the British Social Credit crusader, chronicled in his Depression-era book *Social Credit Explained*, the manner by which states throughout the world were paying farmers to destroy their crops, some examples being:

- The destruction of 100,000 pigs in the Netherland, 1932.
- 2,000,000 and 4,000,000 little pigs destroyed in USA, 1933.
- 225,000 sheep slaughtered in Britain, 1933.
- 25,000 cattle incinerated, Denmark, 1933.
- 5,0000 lambs driven into sea, New Zealand, 1933.
- France fines farmers for increasing acreage, 1933.
- USA ploughs in 25% of cotton crop, 1933.
- Potato growers fined £15,000 for exceeding acreage allowed by the Potato Marketing Board, Britain, 1935.[\[9\]](#)

In 1933, while Fascist Italy was engaged in the “Battle for Wheat,” *The Daily Express* in Britain carried the headline: “Innumerable schemes for the restriction of wheat acreage.” While Italy was reclaiming malarial marshlands for cultivation and settlement, *The Daily Express* reported in 1932 that between 1919 and 1930 2,5000,000 acres of English arable land were to go out of cultivation, which the newspaper described as an “enormous sabotage of food supplies.”[\[10\]](#)

British historian Piers Brendon states of Depression-era USA:

*“In Iowa a bushel of corn was worth less than a packet of chewing gum. Apples and peaches rotted in the orchards of Oregon and California, just as cotton did in the fields of Texas and Oklahoma. Western ranchers killed their cattle and sheep because they could not pay to feed them. Yet there was hunger amidst abundance. Broad lines stretched under choking grain elevators. Malnutrition and associated diseases like rickets and pellagra were commonplace...”*[\[11\]](#)

Miners in Kentucky and Pennsylvania ate weeds. Others scavenged from restaurant bins. In Kansas farmers burnt wheat, now worthless, to keep warm. Corn, being cheaper than coal, was used on fires.[\[12\]](#)

The one place in the USA that was an exception had adopted what is often sneeringly regarded as “fascist” type methods. Huey Long, Governor of Louisiana; was “quite impervious to the constraints of economic orthodoxy.”[\[13\]](#) He built huge public works schemes: hospitals, schools, highways; and obliged the banks to co-operate. As a Senator he condemned the Federal Reserve Bank system as responsible for the Great Depression and as being controlled by international finance. However, Long, whose “Share-the-Wealth” movement threatened Roosevelt’s re-election to the presidency in 1936, was shot in 1935. Long hoped to unite with the “radio priest” Father Charles Coughlin,[\[14\]](#) whose own mass movement, the National Union for Social Justice, was also regarded as a major threat by Roosevelt. Father Coughlin was silenced through a deal reached between Roosevelt and The Vatican, and dutifully returned to being a humble parish priest on orders from his superiors.[\[15\]](#)

### **American Famine**

The “dust bowl” devastation of American farmers and their departure from the land was made famous by John Steinbeck in his 1939 novel *The Grapes of Wrath*. While we might have read it as school students, we were too young to draw lessons from it, and now the older generation is too ignorant to draw lessons from it. The Joad family, like thousands of others, pack up and leave their farm, and travel to California, where the prospect of picking oranges makes this seem to be the Promised Land. Families are split, and the young and the elderly die. Steinbeck got to know the situation intimately when he was writing a series of articles on American migrant workers for the *San Francisco Chronicle*.

Any picking of oranges undertaken by migrant workers in California under the New Deal would have been for the purposes of dumping. Father Coughlin, who started out as a supporter of Roosevelt and advocate for the New Deal which he had called “Christ’s Deal,” became, with Huey Long, the most effective critic of the New Deal and the Roosevelt Administration. His magazine, *Social Justice*, obtained a circulation of 200,000 and was denied postal access in an effort to silence him. Coughlin’s primary aim was to establish a state credit system, and allow the starving the purchasing power to purchase what was being produced instead of it being dumped for lack of buyers. His inspiration was traditional Catholic social doctrine, which related a great deal to opposition to usury and to establishing a just price. In Coughlin’s *Social Justice*, there was a column called “Ham and Eggs,” written by Marek Martin. The column started: “Millions of tons of good fruit are destroyed to keep prices high while nearby poor suffer rickets for want of orange juice.”[\[16\]](#)

Anecdotally Martin wrote of a local “ragpicker” and himself standing on a pile of organs 15 feet high and a mile and a quarter long. The ragpicker remarked: “They’ve been dumpin’ every day for the last three

months – generally around twenty of these big six-ton trucks a day. Oranges are better this year than last, but there’s lots more dumping. Can’t figure it out...” Someone at a local diner commented to Martin, questioning why the price of oranges could be so high? “Why, they’re dumping them in the river bed... and spraying crankcase oil on them so they aren’t usable. Prices shouldn’t be high. People just don’t have anything to use for money, that’s all.” Of the stacks of oranges, “tons and tons” were rotting in the sun, observed Martin. Oranges, “as far as the eye could see.” The packing firm for Orange County paid someone \$75 per month to spray the dumped oranges every night so nobody could come and eat them. Everywhere Martin was surrounded by oranges, “a thousand trees to grow a million oranges, to go into the dump.”

*“I thought of the hovels I had seen in Los Angeles... the miserable shacks where forgotten American families live like animals and never buy a piece of fresh meat from one year’s end to the next. I thought there ought to be some way to get oranges to those people. I thought that was about the most important thing in the world – to get the things there are into the hands of the people who need them.”* [\[17\]](#)

The ragpicker remarked: “We just got frozen out, that’s all. The oranges did and I did. I ain’t complainin’, I get along, and I still got my wife – married thirty-seven years now, and that’s a lot. But I sure wish the people who wants them oranges, and me, had somethin’ to use for money.” [\[18\]](#)

That was 1938. The New Deal had been going since 1933, the year Hitler assumed Government. The New Deal answer after five years of ad hoc legislation was still to dump and destroy produce while people starved, and while farmers were dispossessed.

### **Huey Long’s Condemnation**

The early New Deal architects had looked at Fascist Italy and attempted to apply some corporatist half-measures. What was offered was what is now called “corporate liberalism.” [\[19\]](#) Long saw the New Deal as no better than that of the previous administration. He condemned the destruction of food while the people went hungry:

*“...Why, do you think this Roosevelt’s plan for plowing up cotton, corn, and wheat; and for pouring milk in the river, and for destroying and burying hogs and cattle by the millions, all while people starve and go naked - do you think those plans were the original ideas of this Roosevelt administration? If you do, you are wrong. The whole idea of that kind of thing first came from Hoover’s administration. Don’t you remember when Mr. Hoover proposed to plow up every fourth row of cotton? We laughed him into scorn. President Roosevelt flayed him for proposing such a thing in the speech which he made from the steps of the capitol in Topeka, Kans.*

*And so we beat Mr. Hoover on his plan. But when Mr. Roosevelt started on his plan, it was not to plow up every fourth row of cotton as Hoover tried to do. Roosevelt’s plan was to plow up every third row of cotton, just one-twelfth more cotton to be plowed up than Hoover proposed. Roosevelt succeeded in his plan.*

*So it has been that while millions have starved and gone naked; so it has been that while babies have cried and died for milk; so it has been that while people have begged for meat and bread, Mr. Roosevelt’s administration has sailed merrily along, plowing under and destroying the things to eat and to wear, with tear-dimmed eyes and hungry souls made to chant for this new deal so that even their*

*starvation dole is not taken away, and meanwhile the food and clothes craved by their bodies and souls go for destruction and ruin. What is it? Is it government? Maybe so. It looks more like St. Vitus dance..."[20]*

Long got shot; Coughlin got censured by his Church superiors in a new deal they made with Roosevelt. Long's aide Gerald L. K. Smith tried to keep the Long "Share the Wealth" movement going, and held joint rallies with Coughlin but, despite the dynamism of both Smith and Coughlin, the movement was destroyed by self-seeking from within and Rooseveltian prosecution from without, until finally finished by Pearl Harbor.

### **Lend Lease and War Spending**

It was not a demo-liberal half-measure at trying to ape Fascist corporatism that eventually dragged the USA out of crisis, along with the other democratic-plutocracies but, on the contrary, the war machine of the military-industrial complex, which Roosevelt had cranked up with the "Lend Lease" law in 1941. \$50 billion was appropriated by Congress for Lend-Lease for 38 countries of which \$31 billion went to Britain.

Robert M. Hutchins, president of the University of Chicago, and a leading opponent of Lend-Lease at a time when 80% of the American people opposed U.S. intervention in overseas quarrels, lambasted the Roosevelt administration, decrying the lack of funds for rebuilding the USA, that suddenly became available for rearming other states against Germany, and pointing out the failure of the New Deal:

*"We have it on the highest authority that one-third of the nation is ill-fed, ill-clothed, and ill-housed. The latest figures of the National Resources Board show that almost 55 percent of our people are living on family incomes of less than \$1,250 a year. This sum, says Fortune magazine, will not support a family of four. On this basis more than half our people are living below the minimum level of subsistence. More than half the army which will defend democracy will be drawn from those who have had this experience of the economic benefits of 'the American way of life'.*

*We know that we have had till lately 9 million unemployed and that we should have them still if it were not for our military preparations. When our military preparations cease, we shall, for all we know, have 9 million unemployed again. In his speech on December 29, Mr. Roosevelt said, 'After the present needs of our defence are past, a proper handling of the country's peacetime needs will require all of the new productive capacity - if not still more.' For ten years we have not known how to use the productive capacity we had. Now suddenly we are to believe that by some miracle, after the war is over, we shall know what to do with our old productive capacity and what to do in addition with the tremendous increases which are now being made. We have want and fear today. We shall have want and fear 'when the present needs of our defence are past.'"[21]*

Hutchins was speaking in 1941 when still "one-third of the nation is ill-fed, ill-clothed, and ill-housed." The New Deal had failed, while the Fascist states prospered. Hutchins alluded to even Roosevelt stating in his Lend-Lease speech that there had been no "proper handling of the country's peacetime needs."

Indeed, Roosevelt in his press conference announcing Lend-Lease, in regard to concerns as to lack of finance for war production, stated that no war in history was ever lost due to insufficient money. He related how in 1914 stockbrokers were telling him that the war in Europe would be over in a few weeks

due to lack of finances; he wagered with them that it would proceed. Roosevelt told the pressmen clearly that war production would stoke up the American economy. He stated of the situation:

“Now we have been getting stories, speeches, et cetera, in regard to this particular war that is going on, which go back a little bit to that attitude. It isn’t merely a question of doing things the traditional way; there are lots of other ways of doing them. I am just talking background, informally; I haven’t prepared any of this – I go back to the idea that the one thing necessary for American national defense is additional productive facilities; and the more we increase those facilities—factories, shipbuilding ways, munition plants, et cetera, and so on – the stronger American national defense is’ .[\[22\]](#)

Selling the Lend-Lease step to war to the American people as being in America’s interests, Roosevelt explained:

*“...Orders from Great Britain are therefore a tremendous asset to American national defense; because they automatically create additional facilities. I am talking selfishly, from the American point of view—nothing else.”*[\[23\]](#)

To the question as to whether Lend-Lease brought the USA closer to war, Roosevelt replied: “No, of course not.” He had to sell his Lend-Lease programme as an American patriot; although many Americans knew he was obsessed with defeating Hitler regardless of American interests. He stated to the pressmen that it was “a great deal of nonsense” in thinking only of “traditional terms about finances.”

Here then is the lie exposed: It was the democracies that achieved economic recovery only through war production. Hitler had seven years previously rejected “traditional thinking about finance” by having the state issue bonds, script and credit of various types, without recourse to private finance; somewhat similar to the New Zealand Labour Government in 1935.[\[24\]](#) The autobahn, housing, land reclamation, and much else of a peaceful nature went ahead, as it did in Italy, well before there was a war economy. Conversely, the USA was stuck in a quagmire until Lend-Lease; then miraculously “money” was found for war production. While the pluto-democracies could not find the “money” for public works and to maintain consumer purchasing power, necessitating factory closures and farm foreclosures; Roosevelt was suddenly able to find the “money” for Lend-Lease, which had the spin-off affects in manufacturing clothing, boots, etc. He was able to do this beyond the “tradition terms of economic thinking” for war production, yet this could not be done during the Great Depression for peaceful reconstruction.

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## Notes

- [\[1\]](#) Bolton, “The Myth of the Big Business-Nazi Axis,” *Inconvenient History*, Vol. 7, No. 3, 2013: <https://www.inconvenienthistory.com/7/3/3434>
- [\[2\]](#) Frederic Spotts, *Hitler and the Power of Aesthetics* (London: Hutchinson, 2002), 386-387.
- [\[3\]](#) *Ibid.*, 394.
- [\[4\]](#) Ion S. Munro, *Through Fascism to World Power* (London: Alexander MacLehose, 1933), 362-363.

- [5] Ion S. Munro, *ibid.*, 363.
- [6] A. Bramwell, *Blood and Soil: Walther Darré & Hitler's Green Party* (Buckinghamshire: The Kendall Press, 1985), 1.
- [7] Arthur P. Laurie, "Reich Food Estate" (Berlin: Internationaler Verlag, 1939).
- [8] Erich Schinnerer, "The Peasant and the Land," in *German Law and Legislation* (Berlin: Terramare Office, 1938).
- [9] Bolton, *Opposing the Money-Lenders* (London: Black House Publishing, 2016), 102-104.
- [10] Bolton, *ibid.*, 102.
- [11] Piers Brendon, *The Dark Valley* (London: Jonathon Cape, 2000), 75.
- [12] Piers Brendon, *ibid.*, 76f.
- [13] Piers Brendon, *ibid.*, 76.
- [14] David Kennedy, *Freedom from Fear: The American People in Depression and War, 1929-1945* (Oxford University Press, 2005), 239.
- [15] Bolton, *Opposing the Money Lenders*, op. cit., 133-141.
- [16] Marek Martin, "Ham and Eggs: Not half so mad as California's vast orange dump," *Social Justice*, December 5, 1938, 16.
- [17] *Ibid.*
- [18] *Ibid.*
- [19] James Q. Whitman, "Of Corporatism, Fascism and the First New Deal," *American Journal of Comparative Law*, Vol. 39, 1991; [http://digitalcommons.law.yale.edu/cgi/viewcontent.cgi?article=1656&context=fss\\_papers](http://digitalcommons.law.yale.edu/cgi/viewcontent.cgi?article=1656&context=fss_papers)
- [20] Huey Long, radio speech, NBC, New York, March 7 1935.
- [21] Robert M. Hutchins, 23 January 1941.
- [22] Roosevelt's Lend-Lease press conference, 17 December 1940; <http://docs.fdrlibrary.marist.edu/odllpc2.html>
- [23] *Ibid.*
- [24] Bolton, *Opposing the Money Lenders* op. cit., 35-93.



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